



WYNNSTAY GROUP PLC
(“Wynnstay” or “the Group”)

Final Results for the Year to 31 October 2009

Based in Wales, Wynnstay manufactures and supplies agricultural products and services for farmers. It also operates two specialist retail chains, Wynnstay Stores (providing products for farmers and country dwellers) and Just for Pets (offering a comprehensive range of pet products).

Key Points

- Strong performance in much tougher market conditions
- Revenues of £215.0m (2008: £234.6m) with:
 - agricultural supplies businesses contributing £160.7m
 - specialist retailing businesses contributing £54.0m
- Operating profit of £5.5m (2008: £5.6m)
- Group pre-tax profit * of £5.2m (2008: £5.2m)
- Earnings per share of 26.42p (2008: 29.26p)
- Net assets rose to £39.5m (2008: £36.3m)
- Final dividend of 4.3p per share proposed, taking total to 6.5p per share (2008: 6.0p)
- Agricultural supplies activities saw reduced demand for feed and fertiliser reflecting industry trends
- Specialist retailing activities performed very strongly:
 - Just for Pets chain - pro-forma revenues rose 16%, helped by two new store openings
 - Wynnstay Stores - like-for-like revenues increased by 7%
- Growth prospects remain very positive, driven by:
 - opportunities to add scale to specialist retailing activities, especially Just for Pets chain
 - long term positive trends in UK agriculture

** Group pre-tax profit includes the Group's share of profits from joint ventures and associate investments before tax*

Ken Greetham, Chief Executive, commented,

"I am very pleased with the results the Group has delivered. Overall, the business performed strongly in a trading environment significantly tougher than the last financial year, in which the Group benefited from substantial one-off inventory gains as a result of rising raw material prices.

Wynnstay has firm foundations on which to build. It operates across a broad range of activities and markets, offering a number of opportunities for continued growth. We are seeking further acquisitions within the agricultural sector, including our Country Stores, as we continue to act as a consolidator and, at the same time, we see excellent opportunities for expansion in our pet product retailing business.

The Group's activities are underpinned by a strong balance sheet and we remain confident about prospects to develop the business further."

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CHAIRMAN'S STATEMENT

Introduction

The Group has performed very well in a financial year which saw deflation in raw material prices, poorer farmgate prices and a decrease in demand for feed and fertiliser. In a tougher trading environment, we are very pleased to announce revenues of £215.0m and Group pre-tax profits of £5.2m, in line with market expectations.

The resilience of Wynnstay's agricultural performance arises from the breadth of its activities, which span the supply of all types of feeds and arable inputs as well as raw material and grain marketing. In addition, our specialist retailing activities continue to demonstrate excellent growth, showing very encouraging like-for-like sales. Revenues at our pet products chain, Just for Pets, in particular, increased significantly.

All of the businesses acquired in 2008 have been successfully incorporated into the Group and are making a good contribution to Wynnstay's performance. Our long-term strategy of acquisition within the agricultural sector has worked well to date and we intend to make further complementary acquisitions as we continue to act as a consolidator in the agricultural market. Youngs Animal Feeds, previously a joint venture, was acquired after the year end and is now a fully owned subsidiary, opening up opportunities for synergies with other Group activities. We are also continuing to expand both our specialist retailing businesses. At Wynnstay Stores, the emphasis is on store refurbishment while at Just for Pets, we are looking to add new stores more aggressively to our chain.

Financial Results

Group revenues were £215.0m (2008: £234.6m), with our agricultural supplies businesses contributing £160.7m (2008: £185.2m) and our retail operations £54.0m (2008: £49.2m) to the total. Operating profits showed a reduction to £5.5m (2008: £5.6m), as expected, following the exceptional performance recorded last year, when the Group benefited from rapidly rising commodity prices producing record agricultural results. Agricultural supplies accounted for £2.5m (2008: £3.9m) of this result and the retail businesses for £3.0m (2008: £2.5m before the provision for re-organisation of the horticultural business). After a gross share of profits from our joint venture and associate businesses of £0.3m (2008: £0.4m) and a net finance cost of £0.5m (2008: £0.7m), the Group generated a pre-tax profit of £5.2m (2008: £5.2m). Group taxation charges amounted to £1.4m (2008: £1.3m) resulting in earnings per share of 26.4p (2008: 29.3p).

The Group's balance sheet remains strong, with net assets at 31 October 2009 increasing to £39.5m (2008: £36.3m). This represents £2.73 per share (2008: £2.72). Gearing was a conservative 15% (2008: 28%), based on the year end net debt position of £5.7m (2008: £10.0m), having benefited from a reduced working capital requirement as a result of the lower commodity prices. Return on net assets was 13.2% (2008: 14.4%).

Dividend

The Board is pleased to recommend the payment of a final dividend of 4.3p per share. With the interim dividend of 2.2p per share, paid on 31 October 2009, this makes a total of 6.5p for the year (2008: 6.0p), representing an increase of 8.3%. The final dividend will be paid on 30 April 2010 to shareholders on the register on 26 March 2010. A scrip dividend alternative will continue to be available.

Board changes

At the end of September 2009, our Sales Director, Mel Jones, retired from the Board after 45 years of loyal service. Mel made a significant contribution to the development of the Group and we remain indebted to him for his commitment to the business. On behalf of the Board, I would like to record our thanks to Mel and wish him well in his retirement.

Review of trading

Agricultural activities performed well in a market affected by reduced farmgate prices and volatile raw material markets. Our raw material trading departments managed the volatility with great professionalism and contributed well to the segmental result. Demand for dairy feed and fertiliser was reduced as prices for milk and grain fell below the levels recorded last year. However demand for poultry, beef and sheep feed has been good. Including a full year of trading from the Carmarthen mill (previously WFP), total feed volumes exceeded last year's although like-for-like volumes reflected industry trends. Cereal and grass seed sales have been excellent, demonstrating the benefits of offering a wide range of products to a broad customer base across the agricultural sector.

Our specialist retail activities enjoyed a particularly pleasing year, with increases in revenues and profits from both store networks. Our store refurbishment programme continued across Wynnstay Stores, our network of country stores, stimulating an increase in footfall and sales revenue. In March, we relocated our country store in Leominster, Herefordshire and, following the year end, we have continued the programme with two further store refurbishments. We added two new stores to our Just for Pets chain, opening in busy out-of-town retail centres in Long Eaton, Derbyshire, and in Northampton. Both stores are performing well and we will be opening further Just for Pet stores over the course of the new financial year.

The contribution from our joint ventures and associate company remained positive in challenging markets.

Outlook

World markets for agricultural products continue to affect UK farmgate prices. Last year we anticipated a short-term negative effect on agricultural commodity prices which did indeed occur. However, the long-term prospects for UK agriculture remain encouraging as the UK agricultural industry plays its part in supplying rising global demand for food and bio fuels. As a significant supplier of a broad range of products to the UK agricultural industry, these underlying trends augur well for our business. We expect our specialist retail activities to continue to perform strongly. We are seeking to add selectively to the network of Wynnstay Stores and with the Just for Pets model now very well established, we will continue with our store opening programme in suitable, well researched locations.

Wynnstay's financial base remains very robust, with low gearing, underpinning the continued development of the Group's divisions. I look forward to providing a further update at the Annual General Meeting in March.

John Davies
Chairman

CHIEF EXECUTIVE'S STATEMENT

Introduction

I am very pleased with the results the Group has delivered for the year to 31 October 2009. Overall, the business performed strongly in a trading environment significantly tougher than the last financial year, in which the Group benefited from substantial one-off inventory gains as a result of rising raw materials prices. By comparison, the trading backdrop this year was characterised by volatile commodity prices as well as reduced farmgate prices.

The core agriculture business performed robustly, underpinned by our broad spread of agricultural activities, which include both arable and animal feed supplies. Our specialist retail activities saw like-for-like revenue and profits growth, helped by store refurbishments and both our country stores operation and our pet products business opened new stores over the year.

Long-term prospects for UK agriculture are encouraging. The business has a strong financial base and highly experienced management. These factors are important and will enable us to capitalise on growth opportunities as the agricultural industry continues to consolidate. In addition, our Specialist Retail Division has a strong platform from which we plan to expand further.

Review of Activities

Agriculture

Wynnstay's agricultural activities accounted for approximately 75% of Group revenues. In the year under review, these activities generated total revenues of £160.7m (2008: £185.2m) and, as expected, a lower operating profit, of £2.51m, against last year's £3.89m, which included significant one-off inventory gains.

During the year, we experienced severe volatility in commodity prices. However the broad portfolio of agricultural products and services provided by the Group helped to smooth the net impact of this volatility. Feed volumes grew, reflecting the acquisition of Welsh Feed Producers ("WFP") although, on a like-for-like basis, volumes mirrored industry trends. Global prices for grain and milk fell from the record highs of 2008 and this affected output prices for our customer base. As a consequence, we saw reduced demand for fertiliser and dairy feeds.

Feed Division

The Feed Division, which operates from two wholly-owned compound feed mills and one blending plant, offers a full range of animal nutrition products to the agricultural market. The mills are well placed to maximise efficiency for the delivery of products throughout our trading area.

During the year, we invested significantly in our mill at Llansantffraid, which produces feeds for both ruminant and monogastric animals. As a multi-species feed producer, the mill gives us the flexibility to respond to varying demand across the range of animal feeds supplied to our broad customer base. The investment we have made will enhance the efficiency and output from Llansantffraid.

Our mill at Carmarthen in South Wales (formally WFP), which was acquired in full in August 2008, made a good contribution to the Division's performance. Manufacturing costs have been reduced and over the coming year, we expect to grow our volumes in the South Wales area, which represents an important milk producing area in the UK. Including Carmarthen's sales, total feed

volumes increased by 27%. However, on a like-for-like basis, volumes were down by 12.5%, reflecting industry trends.

As UK milk prices came under pressure, demand fell for dairy nutrition products. However the lamb and beef markets were strong and we increased sales to these sectors. Poultry feed sales were also good. The Group has a strong poultry farmer base which supplies free range eggs to the expanding UK market and we anticipate further growth in this area.

Glasson Group

Glasson, which operates from Glasson dock near Lancaster, supplies a wide range of raw materials and associated products to the animal feed industry. It also offers an increasing range of added-value lines for agricultural merchants to supply to the smallholder and specialist animal feed sectors. In addition, Glasson operates a fertiliser blending plant in Lancashire, where it has significant market share, and it also manufactures the "Top Crop" range of fertiliser which we sell throughout Wales and the West Midlands.

Glasson performed very strongly over the year and volumes were good although, as expected, operating profits did not match last year's exceptional levels. Nonetheless, the management team produced an excellent result, particularly in light of falling commodity prices and we look forward to further growth in 2010.

Arable Division

Operating from a purpose-built site at Astley in Shropshire, the Arable Division supplies a full range of products for growing crops.

Cereal and herbage seed is processed on site and is supplied throughout the Group trading area. Sales have been excellent, with volumes increasing by 20% during the year. The business enjoys an excellent reputation for its high quality products and service levels. The strong market position which we have established will underpin further expected growth with demand for arable products remaining high.

Fertiliser sales reflected the national trend and volumes in the year decreased as high prices significantly reduced demand. However, there are encouraging signs of recovery in this market as lower prices have stimulated activity and current sales are materially higher than in the same period last year. The Group has the benefit of being a main distributor for GrowHow UK Ltd supplying compound fertiliser as well as selling the in-house "Top Crop" brand of blended fertiliser. Agrochemicals provide an important aspect of our "full product offering" and made a useful contribution to the Division's sales.

The in-house specialist grain marketing activity, provided by Shropshire Grain Ltd, traded very well and made a significant contribution to the Group's profit. The trading team managed the extremely volatile grain markets during the year skilfully and offer a valuable market for cereals produced by arable farmers across the West Midlands.

Despite low grain prices during the 2009 harvest, farmers have taken advantage of superb planting conditions and we anticipate good demand during the coming season for all products within the arable sector.

Specialist Retail

Our specialist retailing activities accounted for 25% of Group revenues in the year. Trading at both our businesses, Wynnstay Stores, our rural retail outlets, and Just for Pets, our town-based pet product stores, was excellent. Total revenues increased by 10% to £54m from £49.2m last year and operating profits rose by 19% to £3.0m from £2.53m (before provisions relating to the horticultural business) in 2008.

Wynnstay Stores

Wynnstay Stores supply a full range of products to the farmer and country dweller from 28 stores located throughout the Group's trading area. The stores represent a key route to the rural marketplace for a broad range of products and our store personnel offer professional advice on specialist products including animal health pharmaceuticals for which the Group has a significant market share.

Revenues increased by 7%, with like-for-like sales rising similarly, assisted by our ongoing refurbishment programme. In March 2009, we opened a relocated store at Leominster, Herefordshire, which has been trading well since its opening. After the year end, in December, we re-opened our Penygroes store, near Caernarfon in North Wales, after a major refurbishment. Also in December, we re-opened our store at Tregaron, in West Wales, having moved it to a larger, better located site in the town. We will be continuing to refurbish other stores as we target continued growth in this sector and see potential for developing the sites operated by Youngs Animal Feeds.

Just for Pets

"Just for Pets" is now a well established brand with 15 stores situated in the West Midlands. The stores offer a full range of pet products from modern retail units in busy urban locations. All our staff have considerable experience within the pet sector and a significant proportion are qualified to offer specialist advice to pet owners.

Revenues increased by 16% on a pro-forma basis, helped by new store openings. After the year end, in November, we opened a new store in Burton upon Trent. In February 2010, we plan to open in Wolverhampton, taking the total number of Just for Pets stores to 16. We remain confident of further growth in this sector and have ambitions to expand our store network significantly, adding new stores annually.

Joint Ventures and Associated Activities

Our joint ventures and associate company, which are listed below, contributed a combined operating profit before tax of £263,000 (2008: £383,000).

Youngs Animal Feeds Ltd (Joint Venture)

After the year end, in November 2009, we acquired the remaining 50% of Youngs Animal Feeds Ltd, based in Standon, Staffordshire, that we did not already own. We are now in the process of integrating the business within the Group and see good opportunities to maximise the synergies that exist with our other activities.

Wyro Developments (Joint Venture)

Sales have been encouraging, given the current state of the residential housing market and almost all finished stock has been sold. Construction has started again to provide stock for the coming year and the business has option agreements in place for further residential developments.

Bibby Agriculture (Joint Venture)

Sales reflected the adverse national trends in animal feeds for the 2008/9 season. However, the business has made an encouraging start to the new financial year. The brand is very strong and we expect a continued recovery of sales during the financial year.

Wynnstay Fuels (Associate Company)

The business has enjoyed another good year supplying a stable customer base throughout North Wales and the West Midlands.

OUTLOOK

The long-term outlook for the UK's agricultural industry remains very positive with macro economic factors, including food security and world population, providing underlying support.

Wynnstay has firm foundations on which to build. It operates across a broad range of activities and markets, offering a number of opportunities for continued growth. We are seeking further acquisitions within the agricultural sector, including our Country Stores, as we continue to act as a consolidator and, at the same time, we see excellent opportunities for expansion in our pet product retailing business.

The Group's activities are underpinned by a strong balance sheet and we remain confident about prospects to develop the business further. I look forward to reporting on progress during the new financial year.

Ken Greetham
Chief Executive

WYNNSTAY GROUP PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 October 2009

		2009		2008	
	Note	£000	£000	£000	£000
Continuing operations					
Revenue	2		214,952		234,580
Cost of sales			(181,532)		(202,708)
GROSS PROFIT			33,420		31,872
Distribution costs			(24,664)		(22,499)
Administrative expenses			(3,276)		(3,165)
GROUP OPERATING PROFIT BEFORE NON-RECURRING ITEMS			5,480		6,208
Provision for business restructuring			-		(625)
GROUP OPERATING PROFIT	4		5,480		5,583
Net finance costs	3		(546)		(743)
Share of profits/losses in associate and joint ventures		263		383	
Share of tax incurred in associate and joint ventures		(79)	184	(116)	267
PROFIT BEFORE TAXATION			5,118		5,107
Taxation			(1,297)		(1,205)
PROFIT FOR THE YEAR	12		3,821		3,902
Earnings per 25p share	7		26.42p		29.26p
Diluted earnings per 25p share	7		26.14p		29.09p

All of the above are derived from continuing operations.

There were no recognised income and expenses for 2009 or 2008 other than those included in the Consolidated Income Statement shown above.

WYNNSTAY GROUP PLC
REGISTERED NUMBER 2704051
CONSOLIDATED BALANCE SHEET
As at 31 October 2009

	Note	2009 £000	2008 £000
ASSETS			
NON-CURRENT ASSETS			
Goodwill		8,606	8,606
Property, plant and equipment		15,489	14,772
Investments accounted for using equity method		3,771	3,580
		<u>27,866</u>	<u>26,958</u>
CURRENT ASSETS			
Inventories		12,879	14,805
Biological assets		441	1,296
Trade and other receivables		25,856	30,815
Financial Assets			
- loan to joint venture		3,402	3,802
Cash and cash equivalents	8	957	768
		<u>43,535</u>	<u>51,486</u>
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities – borrowings	9	(3,549)	(5,813)
Trade and other payables		(23,645)	(28,416)
Current tax liabilities		(1,074)	(1,871)
		<u>(28,268)</u>	<u>(36,100)</u>
NET CURRENT ASSETS		<u>15,267</u>	<u>15,386</u>
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings	9	(3,123)	(4,961)
Deferred tax liabilities		(367)	(444)
Provisions		(151)	(625)
		<u>(3,641)</u>	<u>(6,030)</u>
NET ASSETS		<u>39,492</u>	<u>36,314</u>
EQUITY			
Ordinary shares	10	3,635	3,605
Share premium	12	12,931	12,732
Other reserves	12	1,971	1,947
Retained earnings	12	20,955	18,030
TOTAL EQUITY	12	<u>39,492</u>	<u>36,314</u>

WYNNSTAY GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2009

	Note	2009 £000	2008 £000
Cash flows from operating activities			
Cash generated from operations	13	10,248	4,222
Interest received		63	199
Interest paid		(609)	(942)
Tax paid		(2,171)	(176)
Net cash flows from operating activities		7,531	3,303
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	(5,413)
Proceeds from sale of property, plant and equipment		71	151
Purchase of property, plant and equipment		(2,059)	(1,637)
Purchase of intangible assets		-	(307)
Proceeds on sale of investments		-	595
Purchase of investments		(7)	-
Net cash used by investing activities		(1,995)	(6,611)
Cash flows from financing activities			
Net proceeds from the issue of ordinary share capital		229	4,615
Net proceeds from drawdown of new loans		-	4,490
Finance lease principal repayments		(503)	(463)
Repayment of acquired borrowings		-	(1,585)
Repayment of borrowings		(3,646)	(2,019)
Dividends paid to shareholders		(896)	(761)
Net cash generated from financing activities		(4,816)	4,277
Net increase/(decrease) in cash and cash equivalents			
		720	969
Cash and cash equivalents at the beginning of the period		(185)	(1,154)
Cash and cash equivalents at the end of the period	8	535	(185)

WYNNSTAY GROUP PLC
NOTES TO THE ACCOUNTS

1. The company has taken advantage of the exemption, under section s408 of the Companies Act 2006, from presenting its own income statement. The profit after tax for the period dealt with in the financial statements under IFRS of the company was £1,763,000 (2008: £1,682,000).

2. SEGMENTAL REPORTING

Primary reporting format – business segments

The segment results for the year ended 31 October 2009 are as follows:

Year ended 31 October 2009	Agriculture Supply £000	Retail £000	Other £000	Total £000
Revenue	160,720	54,034	198	214,952
Segment result	2,511	3,021	(52)	5,480
Share of results of associate and joint ventures	(25)	104	184	263
	2,486	3,125	132	5,743
Interest income				63
Interest expense				(609)
Profit before tax				5,197
Corporation taxes				(1,376)
Profit for the year attributable to equity shareholders				3,821
Segment assets	13,316	25,755	6,136	45,207
Unallocated net assets				-
Corporate net borrowings				(5,715)
Total net assets				39,492

The Group operates in one geographical segment being the UK.

2. SEGMENTAL REPORTING (cont.)

Year ended 31 October 2008	Agriculture Supply £000	Retail £000	Other £000	Total £000
Revenue	185,203	49,222	155	234,580
Segment result	3,889	2,530	(211)	6,208
Provision for business restructuring	-	(625)	-	(625)
Share of results of associate and joint ventures	-	119	264	383
	3,889	2,024	53	5,966
Interest income				199
Interest expense				(942)
Profit before tax				5,223
Corporation taxes				(1,321)
Profit for the year attributable to equity shareholders				3,902
Segment assets	15,384	24,933	6,256	46,573
Unallocated net assets				(253)
Corporate net borrowings				(10,006)
Total net assets				36,314

The Group operates in one geographical segment being the UK.

3. FINANCE COSTS – NET

	2009	2008
	£000	£000
Interest expense:		
Interest payable on borrowings	(487)	(816)
Interest payable on finance leases	(100)	(86)
Interest payable on other loans	(22)	(40)
Interest and similar charges payable	(609)	(942)
Interest income	63	199
Interest receivable	63	199
Finance costs net	546	743

4. GROUP OPERATING PROFIT

The following items have been included in arriving at operating profit:

	2009	2008
	£000	£000
Staff costs	15,414	14,720
Depreciation of property, plant and equipment:		
- owned assets	1,534	1,172
- under finance leases	358	314
(Profit) on disposal of fixed assets	(43)	(13)
Other operating lease rentals payable:		
- Property	1,248	1,038
Repairs and maintenance expenditure on plant, property and equipment	1,351	1,198
Trade receivables impairment	233	192

4. GROUP OPERATING PROFIT (cont.)

Services provided by the Group's auditors

During the year the Group obtained the following services from the Group's auditor

	2009	2008
	£000	£000
Audit services – statutory audit	73	77
Tax services	2	8

Included in the Group audit fee are fees of £41,625 (2008: £39,625) paid to the Group's auditor in respect of the parent company.

5. SHARE OF POST-TAX PROFIT OF ASSOCIATE AND JOINT VENTURES

	2009	2008
	£000	£000
Share of post-tax profits in associate	119	49
Share of post-tax profits in joint ventures	65	218
Total share of post-tax profits of associate and joint ventures	184	267

6. DIVIDENDS

	2009	2008
	£000	£000
Final dividend paid for prior year	577	474
Interim dividend paid for current year	319	287
	896	761

Subsequent to the year end it has been recommended in the Directors' Report that a final dividend of 4.30p net per ordinary share (2008: 4.00p) be paid on 30 April 2010. Together with the interim dividend already paid on 31 October 2009, of 2.20p net per ordinary share (2008: 2.00p) this would result in a total dividend for the financial year of 6.50p net per ordinary share (2008: 6.00p).

7. EARNINGS PER SHARE

	Basic earnings per share		Diluted earnings per share	
	2009 '000	2008 '000	2009 '000	2008 '000
Earnings attributable to shareholders (£000)	3,821	3,902	3,821	3,902
Weighted average number of shares in issue during the year (No.'s)	14,465	13,333	14,619	13,411
Earnings per ordinary 25p share (pence)	26.42	29.26	26.14	29.09

Basic earnings per 25p ordinary share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average of ordinary shares in issue during the year excluding those held in the Employee Share Ownership Trust which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares (share options and warrants) taking into account their exercise price in comparison with the actual average share price during the year.

8. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	Group	
	2009 £000	2008 £000
Cash and cash equivalents per Balance Sheet	957	768
Bank overdrafts	(422)	(953)
Cash and cash equivalents per Cash Flow Statement	535	(185)

9. FINANCIAL LIABILITIES – BORROWINGS

Current

	Group	
	2009	2008
	£000	£000
Bank loans and overdrafts due within one year or on demand:		
Secured overdrafts	422	953
Secured loans	1,917	2,315
	2,339	3,268
Loan capital (unsecured)	746	749
Convertible loanstock	18	18
Secured loan notes	-	1,360
Net obligations under finance leases	446	418
	3,549	5,813

Non-current

	Group	
	2009	2008
	£000	£000
Bank loans:		
Secured	2,517	4,402
	2,517	4,402
Net obligations under finance leases	606	559
	3,123	4,961

After 31 August 2006 the loanstock is redeemable at par at the option of the Company. Interest at 1.5% per annum is payable to the holders of the Convertible Unsecured Loanstock.

9. FINANCIAL LIABILITIES – BORROWINGS (cont.)

The bank loans include term loans repayable by installments as follows:

Lender	Monthly installment	Balance outstanding	Interest rate
Barclays Bank plc	£43,529	£702,976	0.72% over Base Rate
HSBC Bank plc	£38,863	£1,143,118	0.95% over Base Rate
Bank of Scotland	£8,274	£32,672	Fixed rate of 6.5%
HSBC Bank plc	£58,707	£1,951,692	1.00% over Base Rate
Royal Bank of Scotland	£19,670	£437,834	1.00% over Base Rate
Barclays Bank plc	£4,167	£166,164	1.10% over Base Rate

These loans are secured by legal charges over certain of the Company's freehold property.

Bank loans and overdrafts include overdrafts totaling £421,925 (2008: £562,895) relating to subsidiary companies, which are secured by debentures over the assets of those companies. Finance lease obligations are secured on the assets to which they relate.

	Group	
	2009	2008
	£000	£000
Borrowings are repayable as follows:		
On demand or within one year	3,549	5,813
In the second year	1,906	2,103
In the third to fifth years inclusive	1,217	2,858
	6,672	10,774
Finance leases included above are repayable as follows:		
On demand or within one year	446	418
In the second year	311	294
In the third to fifth years inclusive	295	265
	1,052	977
The net borrowings are:		
Borrowings as above	6,672	10,774
Cash and cash equivalents	(957)	(768)
	5,715	10,006

10. SHARE CAPITAL

	2009		2008	
	No. of shares '000	£000	No. of shares '000	£000
Authorised				
Ordinary shares of 25p each	40,000	10,000	40,000	10,000
Allotted, called up and fully paid				
Ordinary shares of 25p each	14,543	3,635	14,422	3,605

During the year 121,066 shares (2008: 98,826) were issued with an aggregate nominal value of £30,267 (2008: £24,706) and were fully paid up for equivalent cash of £228,418 (2008: £250,608) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme.

A total of Nil (2008: 120,000) shares with an aggregate nominal value of £Nil (2008: £30,000) were issued for a cash value of £Nil (2008: £228,000) to relevant holders exercising options and warrants in the Company. In addition Nil (2008: 1,702,650) shares were issued during the year for a total net cash receipt of £Nil (2008: £4,136,842).

11. POST BALANCE SHEET EVENTS

On 2 November 2009 the Group acquired the remaining 50% of the share capital in Young's Animal Feeds Limited for a net cash consideration exclusive of expenses of £0.75 million.

	Book Value £000	Fair Value Adjustment £000	Fair Value £000
Property, plant and equipment	1,159	96	1,255
Cash & cash equivalents	2	-	2
Other current assets	1,356	-	1,356
Other current liabilities	(786)	-	(786)
Acquired debt	(327)	-	(327)
	1,404	96	(1,500)
Fair Value of previously held equity interest			(750)
			750
Consideration transferred to gain control:			
Cash paid			750

The details of the acquisition shown above are based on the revised IFRS 3 Business combinations which come into effect when the Group prepares its accounts for the year ended 31 October 2010.

12. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Group	Share Capital £000	Share premium account £000	General reserves £000	Retained earnings £000	Total £000
At 1 November 2007	3,125	8,597	1,778	14,889	28,389
Profit retained for the year	-	-	-	3,902	3,902
Shares issued during the year	480	4,135	-	-	4,615
Dividends	-	-	-	(761)	(761)
Asset revaluation surplus	-	-	169	-	169
At 31 October 2008	3,605	12,732	1,947	18,030	36,314
Profit retained for the year	-	-	-	3,821	3,821
Shares issued during the year	30	199	-	-	229
Dividends	-	-	-	(896)	(896)
Adjustment for share based payment	-	-	24	-	24
At 31 October 2009	3,635	12,931	1,971	20,955	39,492

13. CASH GENERATED FROM/(USED IN) OPERATIONS

	Group	
	2009	2008
	£000	£000
Profits for the year	3,821	3,902
Adjustments for:		
Tax	1,297	1,205
Dividend received	-	-
Depreciation of tangible fixed assets	1,892	1,486
Amortisation of intangible fixed assets	-	20
Profit on disposal of property, plant and equipment	(43)	(13)
Interest income	(63)	(199)
Interest expense	609	942
Share of results of joint ventures	(184)	(267)
Loans made to joint ventures	400	1,050
Share based payments	24	-
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
Decrease/(increase) in inventories & biological assets	2,781	(3,672)
Decrease/(increase) in trade and other receivables	4,959	(3,542)
(Decrease)/increase in payables	(4,771)	2,685
(Decrease)/increase in provisions	(474)	625
Cash generated from operations	10,248	4,222

14. ANNUAL REPORT

The Annual Report and full Financial Statements will be posted to shareholders during the week commencing 8 February 2010. Further copies will be available to the public, free of charge, from the Company's Registered Office at Eagle House, Llansantffraid, Powys, SY22 6AQ or on the Company's website at www.wynnstay.co.uk.

15. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at The Sovereign Suite at Shrewsbury Town Football Club, Oteley Road, Shrewsbury on 16 March 2010 at 11.45am.